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ABSTRACT

This study was conducted (1) to determine the effects of the change, under Chapter 2 of the Education Consolidation and Improvement Act (ECIA), from categorical grants to block grants in the District of Columbia, and (2) to compare these local effects with the findings of other nationwide studies. The first half of the paper is a review of reports on the effects of Chapter 2 sponsored by organizations representing state officials (Council of Chief State School Officers), educational administrators (American Association of School Administrators), citizens' groups (National Committee for Citizens in Education), and the federal government (National Institute of Education). The second half of the paper reports the findings of an analysis comparing data from the formulation, administration, and evaluation of ECIA Chapter 2 block grant programs in the District of Columbia Public Schools with data reported nationwide and with data from previous categorically funded projects. Results are given for: (1) comparison of number of projects and of students under block and categorical grants; (2) comparison of funds received by state education agencies; (3) comparison of funds for local education agencies; (4) use of funds, 1982 vs. 1983; (5) use of funds, public vs. private schools; and (6) perceptions of quantity and quality comparisons between block and categorical grants by public and private schools. The findings are then compared with the findings from the literature review. References are included. (TE)

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THE BIG JUMP
IN EDUCATIONAL PROGRAMS:
FROM CATEGORICAL TO BLOCK

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Chapter 2 of the Education Consolidation and Improvement Act is an education block grant which consolidated approximately 28 former categorical grants. The purposes of the consolidation were essentially to make easier the administration of federal programs, to reduce paperwork and regulatory requirements, to give the states and locals more authority in determining the programs that should be implemented, and to retain the purposes of the antecedent programs.

As Chapter 2 has replaced the categorical programs there has been considerable interest. Consequently, a number of studies were conducted by organizations representing state superintendents and commissioners of education and other educational administrators such as the Council of Chief State School Officers (CSSO) and the American Association of School Administrators (AASA), as well as, citizens' groups such as the National Committee for Citizens in Education (NCCE). Additional research, which is cited below, has been sponsored by the National Institute of Education, the research arm of the Department of Education, and performed by the Rand Corporation.

While these organizations vary to some extent as to their individual reasons for investigating the implementation of Chapter 2, they all seem to be attempting to (1) document the direction of Chapter 2 programs being implemented in certain jurisdictions and (2) improve program implementation, at least from their perspective.

The present study was conducted to determine the effects of the change from the categorical grants to the block grant in the District of Columbia and to compare the effects with those reported by the literature.

It should be noted that the present report is not intended in any way to examine nor report on the effects on the state education agency (SEA). The focus is on the effects on the local educational agency (LEA) and states are only mentioned to the extent they impact on the LEA.

Review of the Literature

In testifying at a congressional hearing the Council of Chief State School Officers (CCSSO, 1983) concentrated on three issues: how funds are used at the state and local levels in Chapter 2 programs, the characteristics of intrastate distribution formulas under Chapter 2, and the evaluation of Chapter 2 programs.

The CCSSO points out that part of the rationale for the establishment of Chapter 2 was that "local decision making would be a much more efficient mechanism for achieving educational goals than had been the multiplicity of antecedent programs, each with its own regulations and administrators" (CCSSO,1983). The Council also points out that this increase in efficiency was to have been so great that funding could be decreased. While the Council feels that local decision making might be a more efficient mechanism under Chapter 2, it does not feel the funding available could be decreased.

Because under Chapter 2 decisions are based on local needs and priorities rather than on specific programs to which districts were limited, as was the case with the antecedent programs, the Council states that to compare the two is inappropriate. The Council, therefore, suggests that the goals of Chapter 2 be clarified and that it be judged on its achievement of those goals.

The redistribution of state funds has resulted in more LEAs receiving funds. However, the larger LEAs, which had the resources to compete for grants under the antecedent programs, receive fewer funds under Chapter 2. Chapter 2 funding is about 44 percent below the level at which the antecedent programs were funded in 1980. The CCSSO further states that more attention has been focused on intrastate formulas for redistribution rather than on the effect of the reduction in total federal funds available to states.

Regarding the evaluation of Chapter 2, procedures should be designed to measure the level of achievement of the purposes stated earlier. The CCSSO also suggests that discrepancy information be collected on (1) previously funded programs which were continued and previously funded programs which were discontinued and (2) changes in the numbers and types of students served.

The Council feels the benefits of Chapter 2 have been increased efficiency, decreased regulations, broadened participation, and increased flexibility to meet changing needs. While Chapter 2 funding is small compared to the overall level of funding for American elementary and secondary education, it is the only source of funds available to LEAs for innovative activities.

A study by the Rand Corporation (Darling-Hammond and Marks, 1983) found that ECIA did little to minimize the regulatory burden of federal education programs. The study predicted that large urban school districts would receive less funds but that private schools would get more money than before. Funding formulas varied tremendously, with the factor for high cost children ranging from 12% in one state to 60% in another.

In its attempt to assess the impact of Chapter 2 on local education agencies the American Association of School Administrators (AASA) surveyed a random sample of 2,500 large, mid size and small school districts (AASA, 1983). Approximately 45 percent of the sample responded. The survey response permitted a comparison of the funding through the 1981-82 categorical programs to the funding through the 1982-83 block grant delivery system.

Specific information requested from each district was (a) the total allocation through the categorical programs during the 1981-82 school year, (b) the total allocation under ECIA, Chapter 2 for the 1982-83 school year, (c) a designation of the categorical programs which were funded and the total amount allocated each program, and (d) how funds were being used in each category.

The findings, as indicated by the survey were as follows:

1. A comparison of the 1981-82 categorical grants to the 1982-83 block grant shows that 31 percent of the LEAs received fewer funds, two percent received about the same, and 67 percent received more funds. A significantly larger number of school districts received federal funds through the block grant program. However, the block of funds is divided among more local school districts. Generally speaking, LEAs receiving very small grants (1,000 or less) under the 1981-82 categorical programs, received 200 percent or more under the block grant and the big categorical receivers became the big block grant losers.

2. The majority of the previous categorical programs are not being funded at all by most of the school districts surveyed. Most districts (88 percent) are spending money for instructional materials (e.g. books and materials, computer hardware and software, and audiovisual equipment) and school library resources. Approximately 30 percent of the districts are spending Chapter 2 funds to improve local education practices. Unfortunately the survey does not reflect for which, if any, of the previous categorical programs books and materials are being purchased. Of the instructional materials most of the funds are being spent for books and materials. Of the other instructional materials, computer hardware is the second most (50 percent of the districts surveyed) popular expenditure and computer software is the third most (34 percent of the respondents) popular expenditure.
3. Of the districts surveyed 94.3 percent are not funding the Emergency School Aid Act (ESAA). The average allocation of the 5.7 percent who are funding ESAA programs is only \$871.

The AASA study suggests that Chapter 2 funds are facilitating the movement of local school districts into the high technology era, but that the block grant delivery system is creating a serious equity problem in that the vast majority of students attend schools in large urban districts which have been the big losers under the block grant program. While the small districts are gaining funds, they serve fewer students.

In an effort to help the lay public evaluate the effects of Chapter 2 and whether its implementation should continue, the National Committee for Citizens in Education (NCCE) conducted a study (Henderson, 1983). The five questions that were raised for the purpose of evaluation were as follows:

1. What changes have been made in how program funds consolidated under Chapter 2 are distributed and used?

2. Has the allocation of funds been in response to genuine assessments of state and local needs, or to other pressures and conditions?
3. Have the provisions for public involvement in Chapter 2 been effective, and what role have parents and citizens played in basic program decisions?
4. Now that funds may be used for almost any purpose, with virtually "no strings attached" are states and local school districts still supporting the more controversial programs, such as voluntary desegregation or school improvement?
5. How are local districts using their funds, and in what ways are parents and citizens involved in those decisions?

It should be pointed out that the report "No Strings Attached" is an interim report and is, therefore, not conclusive. Although the findings are preliminary, they are similar to the previous studies presented. The major difference in the conduct of this study is in its attempt to inform and involve parents. In fact, the last section of the report contains case studies, written by parents, on the implementation of Chapter 2 in seven states.

One important finding noted by the report is that funds under the block grant have been redistributed away from states serving large numbers of poor, non-white children. The more sparsely settled states with "healthy economies" and few minority children received more funds. The states receiving fewer funds tended to be poor and southern, urban and industrial, with more "troubled economies". Under the redistribution 13 states gained funds, 25 lost funds, and 12 received approximately the same funds.

States that received significant amounts of funds from the Emergency School Aid Act (ESAA) to assist desegregation efforts lost funds. On the average states lost 12 percent of their funds under Chapter 2. States with large ESAA districts, however, lost an average of 23.5 percent of their funds.

Most states have developed a formula to accommodate high cost children in districts. However, the states vary greatly as to what percentage is based on enrollment and what percentage is based on numbers of high cost children. The report states, however, that regardless of the criteria used to distribute funds, "the law imposes no requirement on local districts to spend the money on the children who attracted it there" (Henderson, 1983).

In terms of local programs being implemented under Chapter 2 the report states that funds are being used to support programs which were begun under Title IV-C rather than to develop new programs. It further states that since a district receives its grant regardless of how it will spend the money, Chapter 2 provides little incentive to plan exceptional programs.

The report goes on to point out that the uncertainty over future funding for Chapter 2 also made "non-recurring" expenditures more practical. Consequently, computer hardware and software is being purchased in record amounts. Although most of the funds are going for computers, the computers are idle for half the school day and teachers and students are unprepared to use them because there are no ongoing training programs.

The question is raised about the merit of block grants versus categorical programs. Since there is only a small amount of funds available due to the redistribution to all districts and there is only minimal regard for need or purpose, Chapter 2 will be a convenient slush fund for local officials rather than to be channeled into programs designed to meet educational needs as had been the case under categorical programs. It is true that the categorical programs were rigid, top-heavy, and over-regulatory, but Chapter 2, despite its simplicity and convenience provides no incentive for excellence, and no accountability for results.

In order to determine the extent of parent and public involvement in Chapter 2, case studies were related from the seven states investigated. As reported, Chapter 2 was intended to be a guarantee of local control and since local officials are not responsible to state and federal officials, then they are to be responsive to local taxpayers. The case studies indicate that local officials are not responsive to local taxpayers. It seems that if officials do not have other officials to account to, they account to no one. Provisions are not made for increased community involvement. It seems that public involvement becomes constituency involvement and that "the constituents of officials are other officials, not the public or parents."

In a study sponsored by the National Institute of Education (Kyle, 1983), the effects and implementation of Chapter 2 were examined in nine states. A case study was done on each of the states. Although findings are presented, it is pointed out that these are just the early effects of Chapter 2 and that it will be another year or two before the impact of Chapter 2 can be thoroughly evaluated. At this point, however, the case studies suggest the following:

1. Generally, in the nine states studied, the process of implementation has been a smooth one and state agencies have been careful and responsible in carrying out their mandates.
2. Due to fewer regulations and emphasis on local control there has been a shift in the relationships between the state education agency (SEA) and local districts under Chapter 2.
3. In each of the states the impact of Chapter 2 has been affected by present economic conditions and the general state of educational finance.
4. When compared with funding under the categorical programs, many ESAA districts, especially the larger ones, lost substantial amounts of money under Chapter 2.

5. While some ESAA districts saw Chapter 2 as a negative development, others used the funds in what they considered to be creative ways of achieving desegregation.
6. The districts which gained funds were frequently those with little or no participation in the antecedent programs. These seem to be small town and rural districts.
7. Large amounts are being spent for computer-related purchases and in many cases this use of the funds is related to a high priority previously identified by the LEA and SEA.
8. There is much concern about future federal audits of the program. Those with the most prior experience with federal programs tend to be most skeptical about the undefined accountability of less regulation and greater local control.
9. It seems that in almost every instance more services are available to private school students under Chapter 2 than had been under the antecedent programs. However, the extent and kind of services being provided to private school students require further study.
10. There is some evidence of using Chapter 2 funds to support long-term goals of the local school districts which might otherwise have gone unfunded at the present time.
11. The local planning process, in terms of making choices about spending Chapter 2 money, ranges from the decisions of a single official to the involvement of the broader community, including parent-teacher groups.

The authors emphasize the tentativeness of their conclusions and have identified issues that need further study. One such example is that in some instances there are indications that Chapter 2 might be contributing to some innovative programming at the local level. There is also evidence that the opposite might be true. Therefore, it is concluded that it is too early to tell whether Chapter 2 has stimulated innovative program developments at the local level.

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The District of Columbia Public Schools Study

Methods and Techniques -

The methods used in this study included review of the literature; comparison of data from the formulation, administration and evaluation of the ECIA Chapter 2 block grant programs in the District of Columbia Public Schools (DCPS) to data reported nationwide and to data from previous categorically funded projects; analysis of questionnaires to present and former project directors, assistants for instruction and Grants Management personnel (DCPS) and private school representatives in the District of Columbia; and review of evaluation reports of both categorical and block grant programs in the District.

Data Source -

Data are from professional journals, District of Columbia Public Schools administration records, monitoring records, questionnaire results and reports by DCPS.

Results -

A. Comparison of Number of Projects and Number of Students assisted under Block and Categorical Grants.

Under Chapter 2 of the Education Consolidation and Improvement Act of 1981, 28 educational grant programs were consolidated into a single authorization of grants to the States. During 1981-82, the District of Columbia Public Schools had 20 projects supported by federal funds, under 9 of the categorical programs. In 1982-83, with the focus on block grants, sub-chapters were defined and projects were placed within each sub-chapter according to the nature and purpose of the project. Under Chapter 2, ten projects were funded. (See Table 1.)

There are various ways in which student impact can be expressed. The operational definition used by the authors of this paper was the number of students participating directly in a project or those directly involved with the materials provided by a project. As may be seen in Table 1 the approximate number of students impacted through these projects were 121,020 under the categorical grants and 194,826 under the block grant.

TABLE 1

Comparison of Numbers of Public School Students
Directly Impacted by Programs Under
Block and Categorical Grants

CATEGORICAL GRANTS
1981-82

BLOCK GRANT - ECIA, CHAPTER 2
1982-83

ESTIMATED
NUMBER OF
STUDENTS

ESTIMATED
NUMBER OF
STUDENTS

ESEA Title:	
1 Basic Skills (formula grant)	<u>1,276</u>
*III Metrometrics	<u>0</u>
IV-B, Region A	<u>24,741</u>
IV-B, Region B	<u>16,910</u>
IV-B, Region C	<u>24,257</u>
IV-B, Region D	<u>28,503</u>
IV-C, Fresh Start Minischool	<u>131</u>
*IV-C, District Facilitator	<u>0</u>
IV-C, Learning Through the Arts	<u>4,000</u>
IV-C, Meeting Students Needs	<u>630</u>
IV-C, Moving Toward Metrics	<u>450</u>
IV-C, Multisensory/ Biology	<u>52</u>
*IV-C, Supervision Proj.	<u>0</u>
IV-C, Youth in Psychoeducational	<u>20</u>
VI, ESAA, Arts in Educ.	<u>8,000</u>
VI, ESAA Enrichment Prog.	<u>8,500</u>
IX, Gifted and Talented	<u>2,900</u>

*Teacher Center	<u>650</u>
*Teacher Corps	<u>4,000</u>

Total 121,020**

*District Facilitator Project	<u>0</u>
Educ. Technology	<u>91,102</u>
Embassy Adoption Prog.	<u>1,100</u>
Gifted/Tal. Educ. Prog.	<u>3,000</u>
Improving Basic Skills	<u>3,100</u>
Multi Arts Serv. Prog.	<u>4,092</u>
Public/Private Partnership	<u>250</u>
School Library Resources	<u>91,102</u>
Summer Science Camp	<u>430</u>
*Teacher Center	<u>650</u>

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Total 194,826**

*These programs were those in which students were not impacted.

**Some students were impacted by more than one program.

Table 1 shows that the number of projects decreased but the total number of students impacted under the programs increased. The increase is due primarily to the fact that all students, are affected by the Educational Technology Program and more students participate in the Basic Skills Program.

The types of programs have also changed in four observable ways. First of all, categorical funding required the inclusion of special education projects. Although special education students are included in some of the Chapter 2 projects, there is no one project exclusively with special education students. Secondly, categorical funding encouraged innovative and model projects. Several small, teacher-director projects were included in the overall funding. The block grant program funded no small projects during 1982-83. Third, the number of students in ESAA projects decreased from 16,500 to 1,100 (the Embassy Adoption Program). Fourth, the block grant funded fewer staff development type programs. Although this type of program had no direct impact on students (indicated by zeroes in Table 1), indirectly, several thousand students were undoubtedly affected in a positive way in that the training received would be passed on to them.

B. Categorical vs Block Grant Funding - SEA

Table 2 illustrates a comparison of funds received by the state education agency (SEA) during the last year (FY 1982) of the antecedent programs with the first year (1983) amount of the Block Grant.

TABLE 2

Comparison of Funds Received by the SEA*

Fiscal Year 1982	Fiscal Year 1983	Percent of Change
\$2,439,556	\$2,187,360	-10.3%

An examination of Table 2 shows that as an SEA the District of Columbia suffered a loss of \$251,196 or 10.3 percent. It should be noted that the amounts reported in Table 2 are not consistent with the losses for the District of Columbia which have been reported by other researchers (Henderson, A. 1983 and Jung, R. and Tashjian, 1983).

*Source - Division of Finance, D. C. Public Schools

The disagreement is due to the varying amounts reported during the last year (FY 1981) of the antecedent programs. There frequently is no agreement among the researchers. For example, the amount reported by the NCCE (Henderson, 1983) is \$5,081,817 and the amount reported by Jung and Tashjian (1983) \$4,622,630, a difference of \$459,187 or almost one-half million dollars. It is interesting to note that if we were to use the smaller amount (\$4,622,630) reported to compare with the amount received (\$2,438,556) by the District of Columbia SEA, we get an even greater difference of over \$2,000,000.

C. Categorical vs Block Grant Funding - LEA

Table 3 illustrates a comparison of the total of all the grants for LEA implementation during the last year (FY 1982) of the antecedent programs with the amount of the grant for LEA implementation during the first year (1983) of the Block Grant. Of the total of \$2,438,551 the SEA received in FY 1982, \$1,838,567 (75.4%) was apportioned to the LEA. In FY 1983 the SEA apportioned \$1,754,463 (80.2%) to the LEA.

TABLE 3

COMPARISON OF CATEGORICAL AND BLOCK GRANT FUNDING OF LEA PROGRAMS*

Fiscal Year 1982	Fiscal Year 1983	Percent of Change
\$1,838,567	\$1,754,463	-4.6%

A review of the studies previously cited indicates that most large districts lost funds in the shift to the Block Grant. Table 2 shows that the District of Columbia LEA lost approximately \$84,104 or 4.6 percent under Chapter 2. This loss is probably not nearly as severe as those experienced by most large cities.

It should be noted that due to the increased involvement of private schools under Chapter 2, available funds for the public schools was further decreased. Private school funding increased from approximately \$50,000 to approximately \$215,000, an increase of about 430 percent.

D. Use of Funds, 1982 vs 1983

Table 4 illustrates a comparison between the percent of funds used for goods (educational supplies, equipment, textbooks, computer hardware and software, etc.) and the percent of funds used for services (e.g. inservice training, technical assistance) in the antecedent programs, with those under Chapter 2.

*Source - Division of Finance, D. C. Public Schools

TABLE 4

COMPARISON OF USE OF FUNDS UNDER BLOCK AND
CATEGORICAL GRANTS

	<u>Fiscal Year 1982</u>	<u>Fiscal Year 1983</u>
Goods	21.7%	28.7%
Services	78.3%	71.3%

An examination of Table 4 shows some change in the percentage of funds for goods (7 percent) and services (7 percent) under the antecedent programs when compared to funds expended in these categories under the block grant. These data are not consistent with findings reported in the literature which indicate that most of the block grant funds are being used to purchase goods, primarily instructional materials. (The information in Table 4 includes total funding, i.e. funding for both public and private schools.)

E. Use of Funds, Public vs Private

Table 5 shows a comparison of the percentages of funds spent under Chapter 2 for goods and services by private schools with the percentages of funds spent for goods and services by public schools.

TABLE 5

COMPARISON OF USE OF FUNDS BY DISTRICT OF COLUMBIA
PUBLIC AND PRIVATE SCHOOLS UNDER CHAPTER 2

	<u>Public Schools</u>	<u>Private Schools</u>
Goods	19.7%	100%
Services	80.3%	0%

Table 5 illustrates considerable differences between how public and private schools in the District of Columbia spent funds. Most (80.3 percent) of the funds public schools spent were for services. To the contrary, all of the funds used by private schools have been to purchase goods rather than services, a finding consistent with one reported by studies previously cited.

F. Percent of Quantity and Quality Comparisons Between Block and Categorical Grants by Public and Non-Public Schools.

A questionnaire was sent to 14 people who were involved with projects during both the last year of the antecedent programs and the first year of the block grant. Eight were project directors and coordinators both years, five were assistant superintendents or assistants for instruction in positions requiring involvement with the projects and one was the DCPS representative of private non-profit schools in the District of Columbia. They were asked whether they felt there was more, the same or less of various items under Chapter 2 than previously. The responses by public school personnel were averaged and are summarized to show the different perceptions for public and non-public schools. (See Table 6.)

TABLE 6

Public Schools vs Private Non-Profit Schools on
Perceptions of Quantity and Quality Comparisons
Under Block and Categorical Grants

"Do you feel that under the Block Grant - ECIA, Chapter 2 (1982-83) there was more, the same, or less than under Categorical Grants (1981-82), of each item listed below, for the programs in which you were involved or know about?"

	<u>Public Schools</u>	<u>Private</u>
1. Paperwork	Less	Less
2. Regulatory Requirements	Less	Less
3. Funding	Less	More
4. Number of Students Served	More	More
5. Opportunity to Acquire Equipment and Materials	Less	More
6. Opportunity to Acquire Services	Less	More
7. Training (for Project Directors)	Less	Not Applicable
8. Evaluation	More	Same
9. Technical Assistance	Less	More
10. Reporting	Less	Same
11. Private School Involvement	Less	More

Table 6 above reflects a relatively realistic position as seen by each of the groups, considering the data reported in the previous tables and the review of the literature, as follows:

1. Paperwork - Both public and private schools reported less paperwork, which was one of the intentions of the new bill (simplifying procedures). Under the categorical grant procedures proposals were written for competitive grants requiring a greater amount of paperwork. Requirements for recordkeeping have also been decreased.

2. Regulatory Requirements - Again the intent of the law was to diminish regulatory requirements and those involved with the projects both years were aware of the change. As a result of lessening requirements, private schools were not restricted only to programs being initiated by the public schools. Instead, private schools could determine their own programs, which ultimately led to more funding for them.
3. Funding - Although the total amount of funding was cut, the private schools were able to take greater advantage of their allotment. The lessening of restrictions allowed them to spend their money in different ways.
4. Number of Students Served - With fewer restrictions on the use of funds, money in both public and private schools was directed to projects impacting greater numbers of students.
- 5 &
6 Opportunity to Acquire Materials and Services - Because of decreased public school funding and increased private school funding, opportunities to acquire equipment, materials and services was less for public schools and greater for private schools as perceived by the respondents.
7. Training for Project Directors - Since the private schools did not have projects per se, the question was not applicable to them. Decreased budgeting coupled with fewer requirements may have accounted for the decrease in training perceived by public school respondents.
8. Evaluation - Under the categorical grants, only Title IV-C required evaluation. The D.C. Public Schools had established an evaluation unit for that purpose. Although under the block grant, evaluation was no longer required, the school district chose to retain the evaluation unit to evaluate all of the programs.
9. Technical Assistance - In the public schools, decreased funding resulting in decreased administrative staff as well as less consultant money, led to less technical assistance. Private schools, with greater involvement, perceived the technical assistance received as more than previously.

10. Reporting - Reporting, as with paperwork and regulatory requirements, were seen as being less than before by public school personnel. Since the federal government was not requesting data, this was a realistic perception. The private schools may have continued using the same reporting instruments they had previously used.
11. Private School Involvement - Under the categorical grants, private school involvement was as a part of a public school project. Public school projects under the block grant now have less private school involvement in specific programs, but the private schools have more of their own projects operating.

G. Major Changes

Respondents to the questionnaire were also asked to indicate any major changes they saw from categorical to block grants. The write-in responses of public school personnel were categorized as increased or decreased. (See Table 7.)

TABLE 7

Perceived Major Changes From
Categorical to Block Grants

"What do you see as the major changes from categorical grants in 1981-82 to the block grants in 1982-83?"

<u>Increased</u>	<u>Decreased</u>
Student Involvement	Regional Support
Community Involvement	Autonomy of Project
Involvement with	Restrictions
Division of Quality	Services as Part of
Assurance	Project
Problems with	Enrichment Projects
Supervision	Finance
Options in Use of	Innovative Type Projects
Funds	Special Education Formal
Evaluation	Projects
Role of Project	
Managers	

The major changes for public school personnel reflect both positive and negative aspects of the block grants with some aspects seen as being more restrictive and others as less. The major changes for private schools are reflected in the following statements from the private school representative.

"Increased opportunities for school principals/faculties to assess educational needs, prioritize those needs and make decisions on funding specific programs or services to meet these needs. Under categorical grants, local need had to fit the category of the program funded at the Federal Level. This often led to funding low priority need programs."

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Comparison of DCPS Study With Review of Literature Findings

The review of literature findings discussed below are those on which there is general consensus and which have relevance for district implementation of Chapter 2 Programs.

Findings

1. The larger LEAs tended to receive fewer funds under the block grant than under the categorical grants.

In the District of Columbia the total funding for the antecedent programs in 1981-82, the last year of the categorical grants, was approximately \$1,838,567. During 1982-83 the first year under Chapter 2, the funding was \$1,754,463, a reduction of 4.58 percent (probably not as severe as in most large cities).

2. The benefits of Chapter 2 have been increased efficiency, decreased regulations, broadened participation, and increased flexibility to meet changing needs.

Analyses of Tables 6 and 7 help provide information concerning the benefits of Chapter 2. It is difficult to determine whether there is increased efficiency under Chapter 2. On one hand more students are being served with less funding. On the other hand, respondents, in the public schools feel there is less technical assistance and less of an opportunity to acquire equipment, materials, and services. The data in Tables 6 and 7 suggest that there is a decrease in regulatory requirements. In both the public and private schools more students are being served which suggests broadened participation. The more significant increases are in the areas of basic skills and educational technology. The increase reported in options in use of funds suggests increased flexibility.

3. Chapter 2 seems to be the only source of funds available to LEAs for innovative activities.

In the District of Columbia this is also the case. The Nature-Computer Camp and Public/Private Partnership projects are examples of such programs.

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4. Most districts are spending money for instructional materials (e.g. books and materials, computer hardware and software, and audiovisual equipment) and school library resources. Although there is considerable spending for computers, there seems to be little spent for training in computer utilization.

Approximately, 28.7 percent of the funds in the District of Columbia are spent on instructional and educational materials and supplies.

5. A large number of districts, that received substantial funds under ESAA, lost funding under Chapter 2 and are not funding desegregation efforts.

In the District of Columbia funding for ESAA programs during 1981-82 was in the amount of \$573,642 compared to \$29,219 for funding one of the previously funded ESAA programs in the first year under Chapter 2, a reduction of approximately 95.2 percent.

6. More services seem to be available to private school students under Chapter 2 than had been under the antecedent programs.

According to the information received concerning the participation of private schools under Chapter 2 as compared to participation under the categorical programs, there has been more of an opportunity to acquire services, equipment, and materials under Chapter 2. Also more students have been served, more technical assistance has been provided and more involvement of the private schools has been evident under Chapter 2.

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Summary and Conclusions

The purposes of consolidating former categorical grants into one were to make the administration of federal programs easier, to reduce paperwork and regulatory requirements, to give to states and locals more authority in determining the programs that should be implemented, and to retain the purposes of the antecedent programs.

In the District of Columbia Public Schools, all of those purposes have been realized to some extent. However, other effects of the change from categorical grants to the block grant have been observed in a variety of ways. Most of the effects of the change are comparable to those found in other cities, as shown in published research findings, but a few are unique to the District of Columbia.

The following areas were those in which the effects of the Chapter 2 funding in the District of Columbia were found to be similar to those reported in the literature. The District of Columbia, a large, urban city serving large numbers of poor, non-white children, received fewer funds than previously. In the redistribution of funds a much larger percentage went to private schools. In types of projects selected to be funded, the majority of the categorical grant programs were not continued, with an exceptionally large decrease in former ESAA projects.

The area in which the District of Columbia differed from the reported effects of the consolidation in other cities were mainly in the use of funds. A greater percentage of districts summarized in the literature reported that they spent more on goods and less on services. In the District of Columbia Public Schools 19.7% of the budget was used for goods and 80.3% for services. These findings, however, were reversed for the private school use of their funds. Findings in the literature showed that the largest single category of block grant expenditures in the districts surveyed was in the area of technology. While using Chapter 2 funds to improve the quality of teaching and learning in a variety of other areas as well, the District of Columbia Public Schools is spending a large percent of its regular budget for computer software and hardware.

The studies reported in the literature, as well as the one completed in the District of Columbia, show that in general the block grant concept is doing what it was intended to do. The next round of evaluations needs to determine the quality effect on education as a result of the consolidation.

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